

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
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R 060900Z APR 77

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 4238

SECDEF WASHDC

CSAF WASHDC

OSAF WASHDC

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

USCINCEUR VAIHINGEN GE

AFSC ANDREWS AFB MD

ASD WRIGHT PATTERSON AFB OH

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E.O.: 11652: N/A

TAGS: MASS, MPOL, MILI, DA

SUBJ: F-16 AND THE DANISH MEDIA

SUMMARY: DANISH MEDIA LAST WEEK ONCE AGAIN REFLECT THEIR
POLITICAL AFFILIATIONS IN THE CONTROVERSIAL F-16 ISSUE.
RANGING FROM BIASED INVESTIGATIVE REPORTING TO OBJECTIVE
ACCOUNTS OF EVENTS AS THEY UNFOLD, ONLY THE LEFTIST PRESS
IS USING THE AIRPLANE ISSUE TO CRITICIZE MINISTER OF DEFENSE
ORLA MOLLER, THE ESCALATING PRICE OF THE AIRPLANE, AND
DENMARK'S CO-PRODUCTION OFFSET PERCENTAGES. THE RULING
SOCIAL DEMOCRATIC MEDIA AND TELEVISION, HOWEVER, PROVIDE
BALANCE TO THIS STILL CONTENTIOUS ISSUE IN DENMARK. END
SUMMARY.

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1. COPENHAGEN'S DAILY NEWSPAPER INFORMATION (INTELLECTUAL
LEFTIST), ONE OF THE FEW DANISH PAPERS SURVIVING THE PRE-
SENT TYPOGRAPHERS' STRIKE, CARRIED A FULL-PAGE ANALYSIS OF
THE F-16 PROGRAM IN DENMARK LAST SATURDAY. ALTHOUGH HISTOR-
ICALLY ACCURATE, THE BIASED ANALYTICAL CONCLUSIONS ARE
THAT DENMARK COULD NOT WITHDRAW FROM THE PROJECT EVEN IF THE
ELECTORATE CHOSE TO DO SO. THE ARTICLE ALSO STATES THAT

MOLLER SHOULD BEAR THE RESPONSIBILITY FOR THE PRESENT F-16 DILEMMA. THE ARTICLE IMPLIES THAT MOLLER ACTED WITHOUT FULL CONSENT OF THE FOLKETING AND WITH LESS THAN FULL AUTHORITY WHEN HE SIGNED THE F-16 MEMORANDUM OF UNDERSTANDING IN 1975.

2. IN THIS MOST EXTENSIVE INVESTIGATIVE REPORT ON THE F-16 PROGRAM TO DATE, INFORMATION PROVIDED AN HISTORICAL REVIEW OF THE F-16 DECISION IN DENMARK AND A BIASED ANALYSIS OF THE PRESENT SITUATION CONCERNING OFFSET, PRICE, AND THE INFLUENCE OF THE PROJECT ON DANISH LABOR AND ECONOMIC SITUATIONS. THE ARTICLE, COMPLETE WITH PHOTOGRAPHS OF MOD MOLLER SURROUNDED BY F-16S, STATES THAT, "IF ORLA MOLLER DOESN'T GET SUPPORT FOR THE INCREASE IN F-16 COSTS WHEN HE APPEARS BEFORE THE FOLKETING FINANCE COMMITTEE WEDNESDAY, APRIL 13, THE WEAPON BUY OF THE CENTURY, WHICH WILL CREATE WORK FOR FROM FOUR TO SIX HUNDRED DANES, WILL HAVE TO BE CANCELLED...BUT THAT'S NOT THE WAY THE DEFENSE MINISTER EXPRESSES IT."

3. THE ARTICLE STATES THAT THE ONE-MONTH DELAY IN SIGNING THE LETTER OF OFFER WAS REQUESTED BY MINISTER OF DEFENSE MOLLER AND IS A RESULT OF MOLLER'S DISCONTENT WITH THE LEVEL OF CO-PRODUCTION, AND THUS OFFSET, ACHIEVED IN DENMARK. THE AUTHOR STATES THAT, "THE ORDER WILL NOT BE ANNULLED WHETHER ORLA MOLLER, DANISH INDUSTRY, OR THE DANISH VOTERS ARE SATISFIED WITH THE CO-PRODUCTION OR NOT.". THE ARTICLE SPECULATES THAT IT WILL BE MONTHS BEFORE DENMARK WILL KNOW WHETHER OR NOT THEY WILL ACHIEVE A 58 PERCENT OFFSET GOAL AND THAT MOLLER WILL SIGN THE LETTER OF OFFER BEFORE THE ACTUAL GOAL ACHIEVED IS KNOWN.

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4. THE AUTHOR IMPLIES THAT MOST OF THE CO-PRODUCTION OF THE AIRPLANE HAS BEEN AWARDED AND THAT DENMARK IS FAR BELOW THE OTHER EUROPEAN PARTNERS, ALTHOUGH THERE IS HOPE FOR PRODUCTION OF EQUIPMENT NOT YET AWARDED. IN OTHER WORDS, THE AUTHOR STATES, THE BIRD HAS FLOWN, PARTLY BECAUSE DANISH FIRMS CANNOT COMPETE IN PRODUCTION OF WAR MATERIALS AND THEY HAVE LIMITED CAPITAL OR LACK THE KNOWHOW (TO PRODUCE SUCH EQUIPMENTS). BUT ORLA MOLLER CAN HELP THESE HARD-PRESSED FIRMS BY LETTING THE GOVERNMENT SUBSIDIZE THEM BY PAYING FOR SPECIAL EQUIPMENT (TOOLING). WHEN THEY ARE THROUGH WITH PRODUCTION, THE TOOLING WILL REVERT TO THE GOVERNMENT BUT WILL BE USELESS, THE AUTHOR CLAIMS.

5. IN DISCUSSING THE COMPLEX QUESTION OF DENMARK'S PARTICIPATION IN THIRD COUNTRY SALES AND THE ATTENDANT PROBLEM OF SELLING ARMS TO POTENTIALLY WARRING NATIONS (A VIOLATION OF DENMARK'S 1937/38 WEAPONS LAW), THE ARTICLE STATES THAT, "THE AMERICANS HAVE SOLVED THE PROBLEM BY SAYING, WE WILL JUST SAY THAT

THE DANISH PARTS ARE IN THE AMERICAN AIRPLANES WHILE THE AMERICAN PARTS ARE IN THE PLANES SOLD TO ISRAEL. THE DANGEROUS ELEMENT HERE IS THAT WE BECOME AN UNWILLING PART OF A MULTI-NATIONAL PRODUCTION STRUCTURE WHICH CAN ONLY BE DIRECTED FROM ONE PLACE, THE USA. THE DANISH PARLIAMENT WILL HAVE NO POSSIBILITY OF SUPERVISING THE DANISH PRODUCTION, LET ALONE OF STEERING IT".

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6. IN ADDRESSING THE ROLE MOD MOLLER PLAYS IN THE ENTIRE F-16 PROGRAM, THE ARTICLE STATES, "THOUGH THE FOLKETING WILL HAVE LITTLE INFLUENCE ON THESE THINGS IN THE FUTURE, IT IS REALLY NO WORSE OFF THAN IT HAS ALWAYS BEEN. THE ENTIRE AIRCRAFT CASE HAS BEEN HANDLED OUTSIDE THE FOLKETING. PARLIAMENTARIANS HAVE BEEN ABLE TO EXPEDITE THE CASE FROM THE PLANNING OFFICE TO THE PRODUCTION OFFICE WITHOUT ANY EXAMINATION OF THE SITUATION AND THERE ARE INDICATIONS THAT THE BOSSES IN THIS GAME DO NOT WANT IT OTHERWISE". JENS BILGRAV-NIELSEN, RADICAL PARTY SPOKESMAN ON DEFENSE ISSUES AND CRITIC OF THE F-16 PROGRAM IS QUOTED AS SAYING, "DURING THE EARLY MEETINGS OF THE F-16 THERE WAS INSUFFICIENT TIME TO FAMILIARIZE ONE'S SELF WITH THINGS. THE DECISION WAS MADE WITH CLOSE EYES". (COMMENT:

JENS BILGRAV-NIELSEN WAS UNSEATED IN THE RECENT ELECTIONS IN DENMARK AND IS NO LONGER A MEMBER OF PARLIAMENT.)
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7. THE ARTICLE THEN PREJUDICIALLY REVIEWS THE ENTIRE F-16 SELECTION PROCESS BY THE FOUR EUROPEAN PARTNERS. IT IMPLIES THAT, ALTHOUGH THE SAAB-SCANIA OFFER ON THE VIGGEN AIRCRAFT WAS MOST INVITING, ORLA MOLLER REFUSED TO CONSIDER THE SWEDISH PROPOSAL "BECAUSE HE HAD ALREADY SIGNED THE GENTLEMEN'S AGREEMENT (MEMORANDUM OF UNDERSTANDING) ON THE F-16 BUY WHICH EXPLAINS WHY HE WAS OPPOSED TO TAKING THE SAAB OFFER SERIOUSLY".

8. THE ARTICLE CONCLUDES BY STATING, "THE PRICE OF THE LAST FIGHTER PLANE PRODUCED BY GENERAL DYNAMICS, THE F-11, ROSE 235 PERCENT DURING PRODUCTION". IT THEN QUOTES A DANISH "PEACE RESEARCHER", JAN OBERG, AS SAYING, "ONE OF THE WAYS TO GET AN AIRCRAFT PROJECT THROUGH IS TO QUOTE LOW PRICES. THEN IT ISN'T SO FRIGHTENING TO MAKE THE DECISION TO PRODUCE THEM". FINALLY, THE ARTICLE CONCLUDES THAT, "IT WILL BE EXCITING TO SEE HOW LOW GENERAL DYNAMICS HAS SET THE PRICE OF THE F-16 IN ORDER TO GET (THE F-16 THROUGH."

9. DANISH TELEVISION MONDAY EVENING, APRIL 4, CARRIED A FIVE-MINUTE INTERVIEW WITH FOLKETING DEFENSE COMMITTEE CHAIRMAN PALLE SIMONSEN (CONS.), WHO EXPLAINED IN OBJECTIVE AND SIMPLE TERMS FACTORS INFLUENCING THE PRICE OF THE F-16. AN ANALOGY WAS DRAWN BETWEEN THE F-16 PURCHASE AND A SCHOOL BUILDING CONTRACT IN EXPLAINING THE PRICE INCREASES. MR. SIMONSEN EXPLAINED THAT WHEN INFLATION INCREASES THE PRICE OF THE BUILDING, THE GOVERNMENT PAYS FOR THIS INCREASE. THE SAME PROCEDURES APPLY TO THE F-16 PURCHASE MR. SIMONSEN EXPLAINED.

10. ON TUESDAY, APRIL 5, AKTUELST (SOCIAL DEMOCRATIC) GAVE A MORE OBJECTIVE AND PRO-U.S. ANALYSIS OF THE PRICE INCREASE AND OFFSET SITUATION BY EXPLAINING, "IT IS SAID THAT THE U.S. AUTHORITIES ARE WORKING HARD TO PLACE FURTHER PRODUCTION ORDERS IN DENMARK BUT THIS MUST BE BASED ON DENMARK'S ABILITY TO PRODUCE THE PRODUCTS COMPETITIVELY. THE MINISTER STATES THAT THE PRICE INCREASE IS DUE TO THE INABILITY OF EUROPEAN FIRMS
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TO LIVE UP TO THE TECHNICAL DEMANDS (OF PRODUCTION)". IN RESPONSE TO POLITICAL OPPONENTS WHO STATE THAT, DUE TO OFFSET SHORTFALLS IN DENMARK, THERE ARE NO REASONS WHY DENMARK SHOULD CONTINUE IN THE PROGRAM, ORLA MOLLER IS QUOTED AS

SAYING, TODAY I FEEL CERTAIN THAT DENMARK WILL ATTAIN THE 58 PERCENT OFFSET. I HAVE NEGOTIATED AT THE MINISTERIAL LEVEL WITH THE AMERICAN GOVERNMENT AND WITH GENERAL DYNAMICS. IT COULD HAPPEN THAT FULFILLMENT OF THE CONTRACT OFFSET LEVEL DOES NOT TAKE PLACE UNTIL AFTER SIGNING THE LETTER OF OFFER. IT IS A LARGE OPERATION BUT I BELIEVE THAT WITHIN A MONTH I CAN RECOMMEND THAT DENMARK SIGN THE FINAL CONTRACT". MOLLER IS ALSO QUOTED AS SAYING...A SITUATION MAY ARISE WHICH WILL MAKE IT NECESSARY TO HAVE FURTHER NEGOTIATIONS".

COMMENT: THE DIFFERING PERSPECTIVES SURFACING IN THE MEDIA THIS WEEK REFLECT SENTIMENTS AND POSITIONS OF THE POLITICAL FACTIONS THEY REPRESENT. CURRENT DISCUSSIONS ABOUT THE F-16 ARE CONSISTENT WITH THE ARGUMENTS THAT PRECEDED ITS SELECTION AND HAVE BEEN ECHOED THROUGHOUT THE PAST YEAR. IN THESE FINAL DAYS BEFORE LETTER OF OFFER SIGNATURE, AND PROBABLY IMMEDIATELY FOLLOWING DENMARK'S SIGNING, DISSIDENT VOICES WILL GROW LOUDER. HOWEVER, THERE APPEARS TO BE LITTLE CHANCE OF DISASTER. IN ANY CASE, THE DANES ARE NOT EXPECTED TO BE DETERRED FROM ENJOYING THEIR SACROSANCT EASTER HOLIDAYS BY SUCH AN ISSUE.
DEAN

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Message Attributes

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